

SCED speaks on RTHK and funding proposal to support Ocean Park

The Secretary for Commerce and Economic Development, Mr Edward Yau, met the media today (May 21) on Radio Television Hong Kong (RTHK) and the funding proposal to support Ocean Park. Following is the transcript of his remarks:

Reporter: First of all, lawmakers are still quite reserved on giving you the required funding to help save the Ocean Park. So, has the Government assessed the financial consequences if the Ocean Park really does not get the required funding and is allowed to go into bankruptcy, aside from all the costs on jobs loss and collective memory? You mentioned that you are repositioning the Ocean Park, and you are also considering legal changes and amendments to let this happen. Have you considered how to make the Ocean Park more commercially viable? Is there a preliminary plan? How different will this framework that you have right now in your mind? How different would this be from the earlier proposal, the \$10.6 billion rescue package that the Government announced earlier this year?

Secretary for Commerce and Economic Development: I think the major differences between the current package and what was presented to the Finance Committee in January this year are twofold. One is the amount and where the money will go to. The other is the general development directions, which I have outlined just now. On the first point, when we went to the Finance Committee in January, that \$10.6 billion plan aimed at delivering a development programme, which would allow the Park to invest in a number of major projects, so as to rejuvenate the Park. And through which, we hoped to regain the financial resources that are needed to cover both the costs and the repayment of loans, and also to finance for the future. The current package that was presented to LegCo (Legislative Council) two weeks ago, is largely a rescue plan. Although the amount is reduced by half, the usage is very different. This is largely to repay the immediate loans, which are imminently needed to avoid bankruptcy.

The difference is drastic, but it's very simple. In January, we could still talk about investing for the future to bring back revenue. But the circumstances have completely changed because of the COVID-19 (outbreak), where the Park has been put to a complete grounding or closure. And there is no immediate prospect of bringing back to any kind of normalcy. So that's why it has changed substantively. The second point is still evolving. In facing these financial and operating challenges, we cannot take on the original assumptions or the plan. We must make adjustments. And I think this is a very

common message that both the Government and the Park are fully committed, and also echoed by many (LegCo) members who have expressed their views. So the plan is to take up from where we started in the redevelopment plan, and then to adjust it in light of the present circumstances.

The three points I made in the overall direction reflect these (adjustments). For instance, it is almost unanimously agreed that the strength and the core competency of the Park is on conservation and education. Therefore we should re-double our efforts to re-emphasise that this is the thing that can take the Park to the future in a more sustainable manner. But having said that, there would need to be adjustments. For instance, the game rides, the mechanical games, given the very heavy financial investment and the high maintenance cost, in the light of the reduction in visitors, would that be scaled down and give way to some of the more attractive development potentials which the Park is good at? We also need to think out of the box, to think about any other means which would have been missed otherwise or not permitted by the law or by the operating environment of the Park. Hence, there would need to be adjustments in the law, in the land use, and in the way of operating the Park. So these are the adjustments that we are making.

Reporter: How about the financial consequences? Is the Park allowed to go into bankruptcy?

Secretary for Commerce and Economic Development: If it bankrupts, that means any outstanding loans, any payments, any wages or severance pay which staff need to receive, will be the bill of this bankruptcy. And I've mentioned that will add up to far more than \$10 billion in either proposal because that will include at least over \$8 billion loans and also a lot of other costs. Thank you.

Reporter: First of all, you met with the Board of Advisors earlier today. The Director of Broadcasting was not invited, and they said that it was your bureau's decision to do that. Can you explain whether it is because you are considering personnel changes to RTHK, and that's why you didn't invite the Director of Broadcasting? Could you also reveal a little bit on the conclusion, even though the advisors did say you made agreements on like RTHK has to follow the Charter, and you need to look into how to ensure that the public broadcaster does that. Mr Eugene Chan highlighted that one of the things that RTHK needs to fulfill is to ensure that it promotes the sense of national identity, as well as people's understanding on "one country, two systems". Does that mean that you are hoping the broadcaster can dedicate even more resources on these two areas going

forward in the future? Thank you.

Secretary for Commerce and Economic Development: The answer to your first question is very simple. I got the invitation from the Chairman, Dr Eugene Chan, in early May, asking if he and the non-official members could come over and meet with me. I think that was arising from the recent first Communications Authority (CA) case against a RTHK programme. But soon after there was another case. So, I accepted the invitation and therefore met with the Chairman and all the non-official members. The request is not for a formal meeting. In the formal meeting of course the bureau would not be represented. The formal meeting would have included the Director of Broadcasting. But I took it as the Chairman's and the non-official members' request to see me. So, like any sort of other community, I am more than happy to see them at a convenient time. So I did it this morning.

The Chairman had met with the media and gave his summary on the focus of the meeting. On my side it is very simple. They expressed to me the concern about the repeated verdicts ruled by the Communications Authority against RTHK programme. As the Board of Advisors to RTHK, appointed under the Charter, they are duty bound to help RTHK. They also mentioned that similar concerns had been discussed among them and with the Director of Broadcasting and also RTHK. They were here to talk about this topic, and I had shared with them the stance taken by the bureau, which made open on two occasions shortly after the verdict of the CA. I heard from them that they supported the verdict of the Communications Authority in this regard. They are also taking steps to help RTHK to fully implement any remedial measures that are needed to avoid similar recurrence of incidents. They also told me that as part of RTHK, given their very specific role under the Charter, they are there to help. That was a usual discussion. Thank you.

(Please also refer to the Chinese portion of the transcript.)

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